



Agenda Date: 8/22/2006
Agenda Placement: 6P

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Ben Wilson - Chief Information Officer
Information Technology Services
REPORT BY: Gail Vandeburgt, Staff Services Analyst I, 707-259-8666
SUBJECT: Agreement with ADP for payroll services during a disaster

RECOMMENDATION

Chief Information Officer requests approval of the following in relation to the purchase of automated payroll services in the event of a disaster:

1. Authorization for the Chair to sign an agreement with ADP, Inc. for a maximum of \$20,755 for the term July 1, 2006 through June 30, 2007; and
2. Waiver of competitive bidding requirements and sole source award for automated payroll processing from ADP of Alpharetta, Georgia, pursuant to County Ordinance Code 2.36.090. (4/5 vote required)

EXECUTIVE SUMMARY

Approval of the recommended action would provide the County with payroll services in the event of a declared emergency.

The County currently does not have the out-of-state technology necessary to provide payroll services in the event of a disaster. ADP would provide the necessary services to sustain payroll processing in the event of a disaster.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Information Technology Services
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	The County currently does not have the out-of-state technology necessary to

provide payroll services in the event of a disaster. In that emergency, ADP would be authorized to print and mail all warrants, pay advices, direct deposit and wage and tax statements (W-2's).

Is the general fund affected?	No
Future fiscal impact:	Cost assumptions: First year = \$20,755.00, Second year = \$12,255.00; to come from the Information Technology Services budget.
Consequences if not approved:	The County would not be prepared to provide payroll services in the event of a disaster.
Additional Information:	None

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

The County currently does not have the out-of-state technology necessary to provide payroll services in the event of a disaster. ADP will work with the County to determine the best suitable Disaster Recovery Plan. In the emergency, ADP would be authorized to print and mail all warrants, pay advices, direct deposit and wage and tax statements (W-2's).

The process can be summarized as follows: After payroll is calculated, the County transmits its data electronically to ADP's Atlanta National Processing Center. ADP then performs verification services to ensure the accuracy of the data and stores that data for emergency use.

The agreement contains a clause for automatic renewal and the cost assumptions for subsequent fiscal years, at this time is, \$12,255 per fiscal year. This assumes 1700 employees at ADP's current rates.

Due to their technological, specialized nature and their unique character in the payroll services industry, ADP was chosen as the sole supplier and competitive bidding was not required as per paragraph 2-2.2 of the Napa County Purchasing Manual adopted by the Board in October, 2000. They were chosen because of their payroll expertise, focus on extensive disaster recovery systems and industry leadership. With more than four decades in Human Resources, Payroll, and benefits solutions, ADP offers the broadest set of payroll-related services in the industry and offers the most cost competitive payroll service in the market. ADP produces and distributes over 22 million checks every payday. Furthermore, ADP provides a highly secure and confidential environment that is dictated by the sensitive nature of payroll warrant processing requirements. All are protected with comprehensive disaster recovery programs and state-of-the-art security procedures.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Karen Gratton